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New York Life, the largest life company in the country, pays a tax of only .002 per cent, or two mills on the dollar; this is approximately the rate paid by the Mutual, and the Equitable; five mills is certainly the maximum for life insurance as a whole. As taxes go, this rate is far from excessive.

It is not very clear why the three and a half billions of life insurance assets should go untaxed. These assets cover principally the reserves of policy holders, who for the most part belong to the middle and wealthy, and not to the poorer classes. If these assets had been placed anywhere else for investment, they would probably have had to pay taxes—why not insurance? Is the effect of paying taxes any different whether (say) \$500 is invested in a corporation bond or credited to the reserve of a life insurance policy? In either case you may say that the tax is on savings and thrift, and finally in case of death falls upon the family of the saver. Probably all taxes have these discouraging effects or attachments.

Two general criticisms should perhaps be added: (1) The title of the book is over-ambitious; it suggests a systematic treatment of the principles of insurance, and there is no such treatment. (2) The book is rather discursive and has unnecessary repetitions. Considerable material is included, which is interesting enough, but is quite extraneous to any clear-cut insurance discussion. But, in spite of criticism, the book is an exceedingly valuable one; it is clear, interesting, and suggestive.

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*Die Vorarbeiten zur Herstellung gemeinsamer deutscher Sterblichkeitstafeln.* By DR. SCHMERLER (Hamburg). Introduction by EUGEN LINDE (Magdeburg). (Berlin: Ernst Siegfried Mittler und Sohn. 1911. Pp. 80.)

This pamphlet was printed February, 1911, as Number XXII of the publications of the Deutschen Vereins für Versicherungs-Wissenschaft. As the title indicates, the brochure deals with the preliminary work preparatory to the somewhat elaborate and extended investigation which is now being made into the recent mortality experience of German life insurance companies. As will be quite apparent to any reader of this pamphlet, the present investigation of the combined mortality experience of such of the

German life offices as elect to furnish their quota of the material wanted has been planned and is being carried out in a manner quite characteristic of all German scientific research work. The German makes haste slowly but the results are usually well worth while and are more enduring than those achieved by less thorough, more careless and speedy methods. Perhaps the best recent illustration of German, in contrast to American, methods is to be found in a comparison of how the German insurance code was constructed in contrast with the ill-considered laws which emanated from the New York legislative mill in 1906 only a few months after the close of the Hughes investigation. In Germany the subject matter was threshed out item by item, was discussed by everyone competent to do so, and the exhaustive code was finally enacted into law only after years, rather than months of consideration.

Modern changes in mortality have been so pronounced that life companies everywhere have felt the need of possessing modern standard life tables against which to measure their mortality experience.

The mortality tables now in general use in Germany are based upon the combined experience of 23 German life offices to December 31, 1875, and were published in 1883. The unfavorable experience with annuity business apparently first raised the question as to the applicability of the old tables as efficient present-day standards for the measure of expected mortality. The subject was first seriously considered in October, 1905, when a commission of three members was appointed by the Vereins Deutscher Lebensversicherungs-Gesellschaften to investigate the matter in some detail. The late Dr. Schmerler of Hamburg was a member of this original commission; he took a very active part in all of the preliminary work, lived to see most of his recommendations adopted, and died as recently as April 14, of this year.

A fourth member was soon added to the commission and a first report was made in June, 1906. The membership of the commission was increased from time to time as the preliminary work advanced and it was found desirable to make use of all the expert talent readily available. Reports were made at quite frequent intervals from 1905 until March, 1910. The main results of these preliminary discussions may be stated briefly as follows:

1. It was found desirable that new mortality tables be constructed.
2. The question as to kind of tables—aggregate, select, or partly

select—was left for determination until the material should have been collected.

3. The new tables are to be constructed from records prepared and compiled according to absolutely uniform and well-defined rules.
4. The material is to be so collected that certain classes of risks may, if the facts warrant, be treated separately. These classes are to be in six groups: occupations, physical or personal peculiarities, heredity, previous sickness from specified causes, military service or non-service (males), and miscarriage or abortion (females).
5. The individual life offices are to write the cards, but the compilation of the data is to be done by a central bureau, the expense of which is to be borne *pro rata* by the contributing offices.

The existing life tables, and the similar investigations of the past and present in Germany, Austria, England, and the United States were all carefully reviewed and discussed by Dr. Schmerler and his colleagues during the five years of preliminary study; and finally, on March 1, 1910, the central bureau or office, located in Berlin, began its activity under the direction of Julius Altenburger, of Budapest.

That the present life tables used by German companies are based upon conditions which no longer obtain in German mortality was shown conclusively by comparing the male death-rates of those tables with the male death-rates of the new German life tables, which are based upon the total population of the Empire, and upon the deaths during the decade 1891 to 1900. These latter rates were found to be lower up to age 65 than the rates in the combined experience tables of the 23 German offices, to December 31, 1875, and this was considered quite conclusive evidence that there had been a material reduction in the death-rate at all or nearly all of the insurable ages during the last thirty-five years.

In making up the mortality cards in the German investigation it is proposed to make provision for the study of several occupations, distinction being made of such dangerous and unhealthy trades and industries as yield sufficient deaths to make the compilation of the returns worth while. The question of occupation appealed so strongly to Dr. Schmerler that he suggested extending this inquiry so as to include such classes as chauffeurs, cement workers, powder-mill officials, wine-growers, etc., and, in fact, nearly all the well-defined trades or industries.

Risk-classes according to personal peculiarities are six in num-

ber, according as the insured has: (1) Emphysema, (2) curvature of the spine, (3) hernia, (4) neurasthenia, (5) pulse rate over 96, (6) slightly irregular pulse.

Risk-classes according to heredity are twelve in number, as follows: (1) Both parents living or dead at ages above 70, (2) both parents dead at ages below 50, (3) one of the parents dead or suffering from apoplexy below age 70, (4) from heart disease below 70, (5) from diabetes below 70, (6) from cancer below 70, (7) from tuberculosis below 70, (8) neither of the parents, but one or more of the brothers or sisters dead or suffering from tuberculosis, (9) both parents dead of tuberculosis, (10) insanity or epilepsy in the parents, brothers or sisters, (11) suicide, and (12) gout or chronic articular rheumatism in the parents, brothers or sisters.

The effect on mortality of previous sickness of applicants for life insurance is to be studied under twenty-two classes of diseases: (1) Acute catarrh, (2) discharge of blood by coughing, (3) pleurisy, (4) tuberculosis of joints, (5) scrofula, (6) hemorrhage of the lungs more than once, or within two years, (7) inflammatory rheumatism, (8) gout, (9) palpitation of the heart, (10) hemorrhage of the stomach, (haematemesis), (11) appendicitis (without operation) within the last two years, (12) appendicitis (without operation) more than two years previous to application for insurance, (13) gall stones or hepatic colic, (14) chronic jaundice, (15) casts, stones or gravel in the kidneys, (16) discharge from the ear, (17) nervous exhaustion or neurasthenia, (18) epilepsy, (19) bronchial asthma, (20) syphilis, (21) traces of sugar in the urine, (22) albumin in the urine.

The six military service classes are as follows: (1) Has not yet served, (2) has performed service required by law, (3) has been discharged on account of ill health, (4) rejected on account of incapacity, (5) rejected or excused for other reasons, (6) unknown whether in service or not.

Finally, the question is to be asked of women, whether or not there has ever been a miscarriage, or an abortion.

The German investigation is being conducted in a somewhat different manner than that now nearing completion in this country under the auspices of the Association of Medical Examiners and the Actuarial Society of America (Medico-Actuarial Mortality Investigation). Fewer classes will be dealt with in the German

investigation, but the classes are somewhat more clearly defined, and the returns from the contributing offices will be more uniform than the returns in the American investigation. Every item on the fundamental and supplementary cards is precisely defined in the German investigation and the definitions are furnished to every contributing office. On the other hand, in the American investigation considerable latitude is left to the various offices in the treatment of certain classes. For example, one of the occupation classes in the American investigation is "Teamsters, excluding those in the liquor trade," but the term is not further defined. The preparatory work, then, in the German investigation may be said to have been done in a very thorough manner and the ultimate results should yield some extremely valuable facts, which, with the results of the American investigation, should furnish a basis for medical and actuarial work such as has never previously been available in life insurance practice. The new life tables which undoubtedly will be constructed from the new materials will add greatly to the certainty with which a given mortality experience can be measured.

Insurance medicine is apt to gain most by these new investigations, for it is in that branch of life insurance practice that are found the widest gaps between what is known and what is unknown; between what are attainable and highly desirable facts and the present lamentable paucity of knowledge on subjects which should long since have been thoroughly investigated in the abundant materials ready at hand in the large experience of life offices both in this country and abroad.

F. S. CRUM.

*National Insurance.* By A. S. COMYNS CARR, W. H. STUART GARNETT, J. H. TAYLOR. Preface by the RIGHT HON. D. LLOYD GEORGE. (London: Macmillan and Company. 1912. Pp. xxx, 504. 6s.)

*Studies in Workmen's Insurance: Italy, Russia, Spain.* By I. M. RUBINOW. (New York: Columbia University Press. 1911. Pp. 1699-2376.)

*The Workmen's Insurance Code (Reichsversicherungsordnung) of July 19, 1911, of Germany.* A translation by HENRY J. HARRIS. (Washington: Government Printing Office. 1911.)

*National Insurance* is an exposition of the English National Insurance Act of 1911; it is intended primarily for the use of